

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Omar Saad Diaa
5734 North Gulley
Dearborn Heights, MI 48127

Enforcement Case No. 07-4926

Respondent

Issued and entered
on 19 March 2007
by Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER

I.
BACKGROUND

On or about August 24, 2006, the Office of Financial and Insurance Services (OFIS) received an application from Omar Saad Diaa (Respondent) for a mortgage broker license under the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* In reviewing the past practices of Respondent, OFIS staff determined that Respondent conducted mortgage-related activities, which require licensure as a mortgage broker under the MBLSLA. Respondent is not presently licensed by OFIS pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. OFIS and Respondent have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. As previously indicated, Respondent submitted an application to OFIS for a mortgage broker license under the MBLSLA.
2. At all times pertinent to the matter herein, Respondent was neither licensed by OFIS to act as a mortgage broker, nor does he meet any of exemptions prescribed by the MBLSLA to act as a mortgage broker without first obtaining a license from the Commissioner of OFIS.
3. The Commissioner of OFIS has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, and the MBLSLA.
4. Respondent indicated in his mortgage broker application that he was a loan officer for Prime Plus Mortgage, Inc., a licensed mortgage broker and lender. Respondent originated loans for Prime Plus Mortgage, Inc. from December 2003 to April 2006.
5. In an effort to verify his employment with Prime Plus Mortgage, Inc., Respondent submitted to OFIS Internal Revenue Service (IRS) Forms 1099 for 2004 and 2005 illustrating that for the aforementioned years, he received nonemployee compensation from Prime Plus Mortgage, Inc.
6. OFIS staff also obtained an IRS Form 1099 for the year 2003, which indicated that Respondent received nonemployee compensation from Prime Plus Mortgage, Inc.
7. Respondent was self-employed in 2003, 2004, and 2005.
8. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

9. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

10. The MBLSLA proscribes Respondent from receiving compensation from a mortgage company unless he is an employee of the mortgage company or meets any of the exemptions enumerated therein. Respondent neither meets any of exemptions prescribed in the MBLSLA nor is he an employee of Prime Plus Mortgage, Inc. Consequently, Respondent's receipt of nonemployee compensation for originating mortgage loans is a violation of the MBLSLA.

11. Based on the foregoing, Respondent has conducted first lien mortgage business without the requisite license or registration certificate required under Section 2 of the MBLSLA.

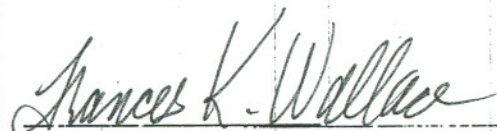
III. ORDER

Therefore it is ORDERED that:

1. Respondent shall cease and desist violating Sections 2(1) and 2(3) of the MBLSLA.
2. Respondent shall pay to OFIS an applicable civil penalty of \$1000.00. The fine shall be paid within 30 days of the date of entry of this Order.
3. Respondent shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.

4. Respondent shall educate himself with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Respondent shall review and comply with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS's position on employees and branch offices in Michigan.
6. Respondent shall not utilize independent contractors for mortgage loan origination unless they are: 1) licensed or registered under the MBLSLA; 2) exempted from the MBLSLA under Section 25; or 3) licensed as a class I licensee under the Consumer Financial Services Act.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further Order(s) as she shall deem just, necessary, and appropriate in accordance with the provisions of the MBLSLA. Respondent's failure to abide by and fully comply with the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative actions.



Frances K. Wallace
Chief Deputy Commissioner